



Manoj SAXENA

VP, Global Solutions and Asset Management

IBM SOA Executive Summit 2008

Smart
SOA

Accelerate, Innovate, Differentiate:
Win with Smart SOA™ Approaches

IBM's 2008 CEO Study - The Enterprise of the Future Is:

*** New!**

Hungry for Change

Globally Integrated



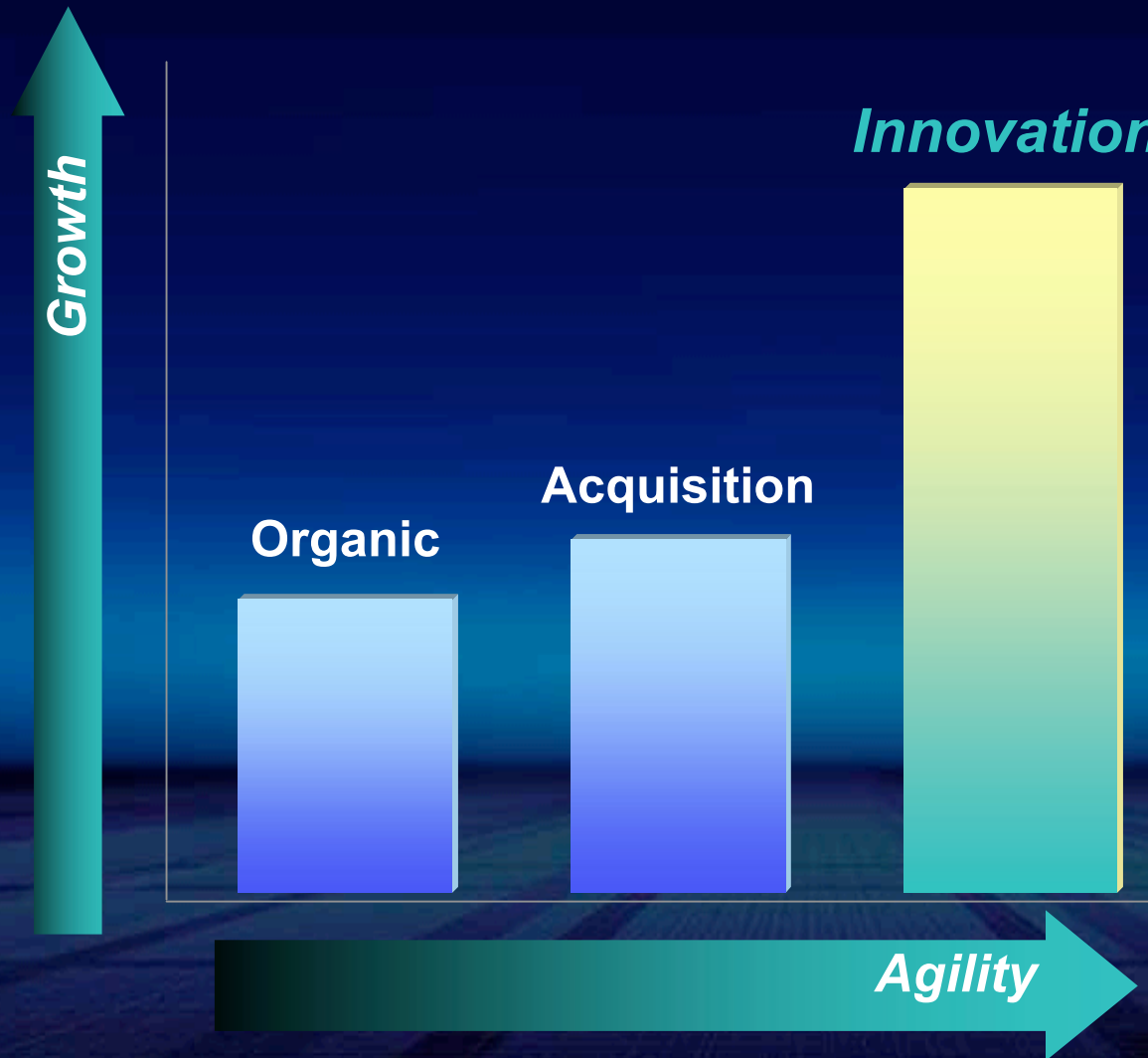
Disruptive by Nature

**Genuine, Not
Just Generous**

Innovative Beyond Customer Imagination

In-depth study taking the pulse of over 1100 CEOs

The Enterprise of the Future Demands Agility



Companies that demonstrate the highest levels of Agility and Innovation realize the greatest growth

Agility is Essential to any Growth Strategy

IBM Expanded Global Reach Through Greater Agility

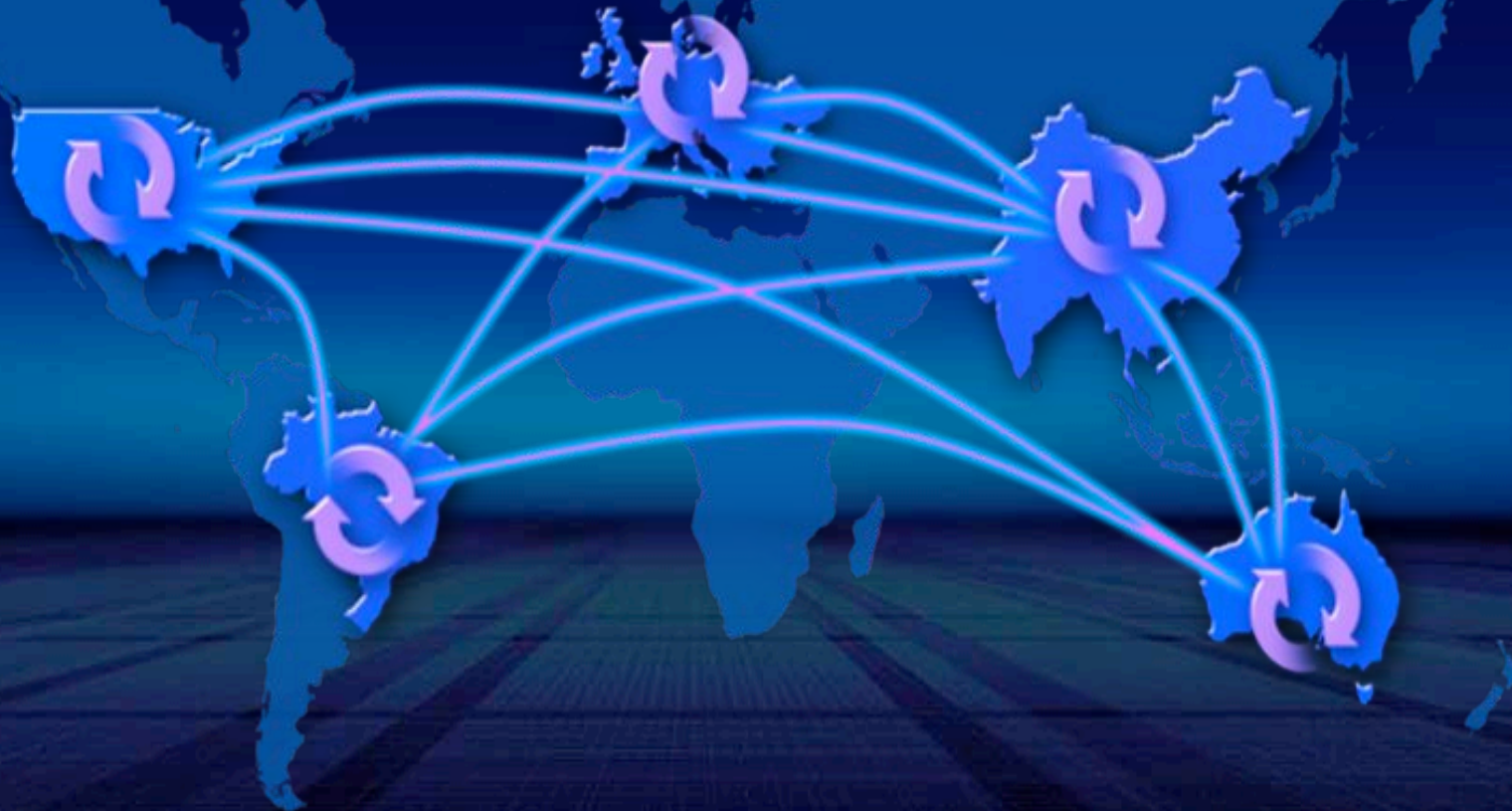


63% of revenue came from non-US operations

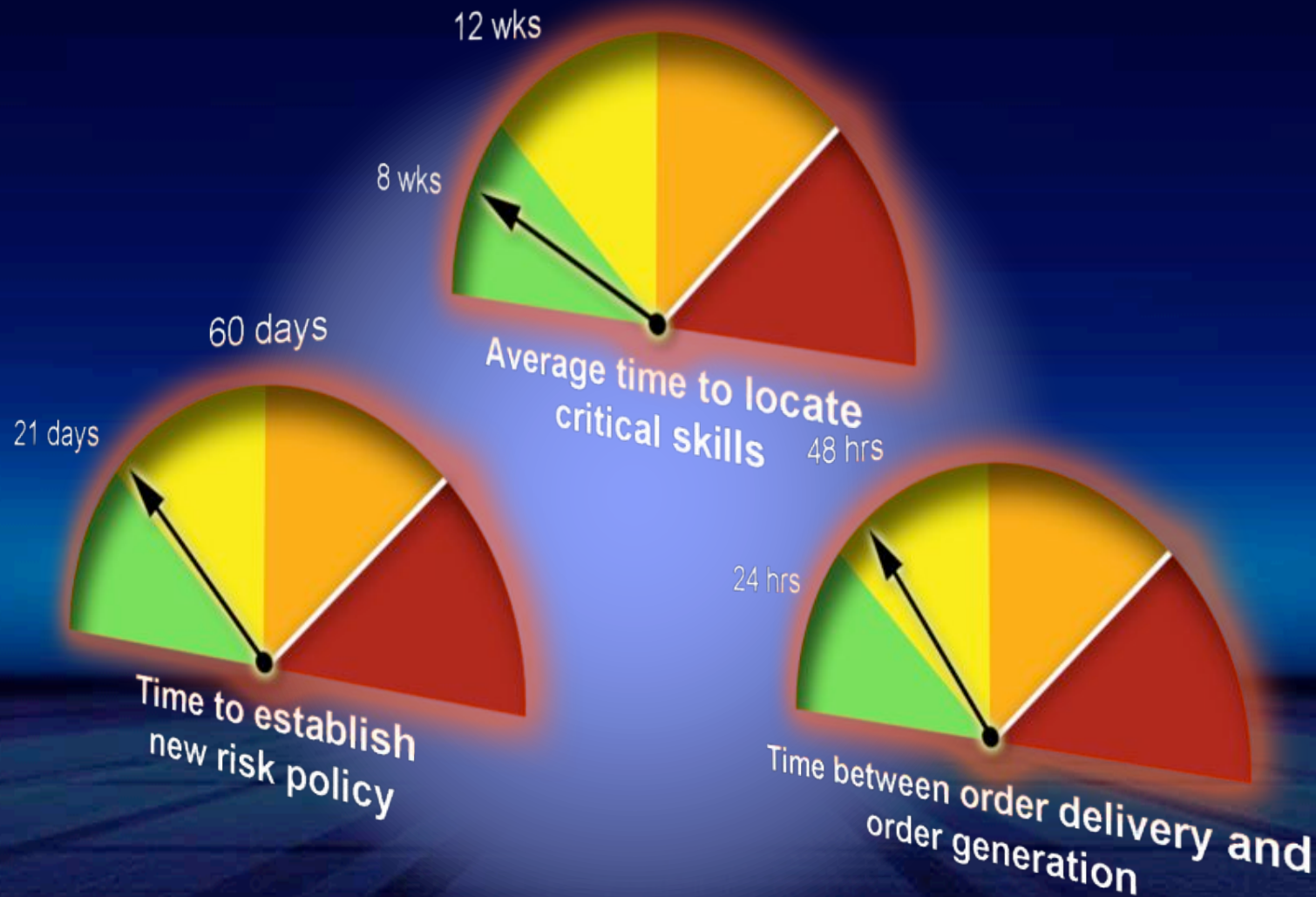
18% growth in BRIC countries

53 acquisitions in software since 2002

8% yr/yr revenue growth



Start By Benchmarking with Key Agility Indicators



270 KAIs in the Benchmark Wizard

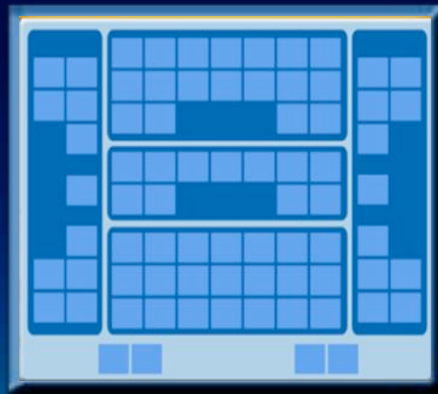
Achieve Greater Agility Through Service Orientation

- Know their customers and their profiles
- Continually evolve services
- Drive quality assurance by continuously surveying
- Drive loyalty by meeting customer expectations
- Become indispensable not just irreplaceable
- Create new value offerings to enable up-selling

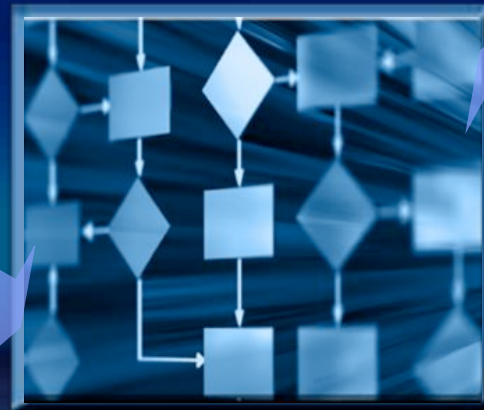


Reach Service Orientation From Multiple Onramps

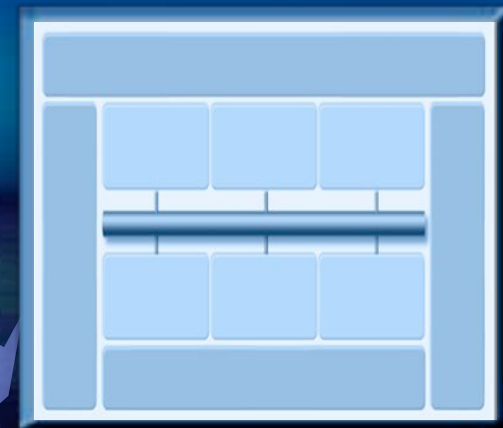
*Business
Architecture*



*Business
Processes*



*SOA Foundation &
Infrastructure*



*Success requires the
alignment of business & IT*

IBM's integrated Industry Solutions and Framework offerings align Business with IT



Industry Solution : An offering that solves a client's business problem through a combination of:

- Defined intellectual property, technology assets, applications, tools, methodologies
- Industry and subject matter expertise
- Global delivery model

Industry Framework : A software platform with following attributes

- Industry-specific extensions / standards
- Focused on industry-specific business issues/usage patterns
- Supports an ecosystem of business partners
- Based on service-oriented architecture

Banking Industry Solutions map

Strategic Drivers

Drive Organic Growth to Deliver Increased Top Line Revenue

Modernize & Standardize Legacy Systems For Cost Containment & Increased Efficiency

Enable organization to manage talent & maximize performance

Respond to Changing Regulatory Requirements To Ensure Capital Adequacy

Improve Risk Management to Ensure Regulatory Compliance & Operational Controls

Industry Solutions

Front Office Optimization

Back Office Operations

Risk & Compliance

Workforce Effectiveness

Financial Management

Solution Offerings

- Customer Care & Insight
- Multi-channel Transformation
 - Branch
 - Self Service
 - Contact Center
 - Channel Integration

- Core Systems Transformation
 - Lending
 - Credit Risk Collections
 - Back Office Integration
- Payments

- Financial Risk Management
- Operational Risk Management
- Governance and Compliance

- Workforce Performance
- Workforce Development
- Workforce Collaboration & Knowledge Management
- HR Strategy & Transformation

- Business Performance Management
- Finance Transformation
- Business Risk Management
- Enterprise Risk Management

Industry Frameworks

Customer Care & Insight (CCI) Framework

Payments Framework/ Fin Services (PFFS)

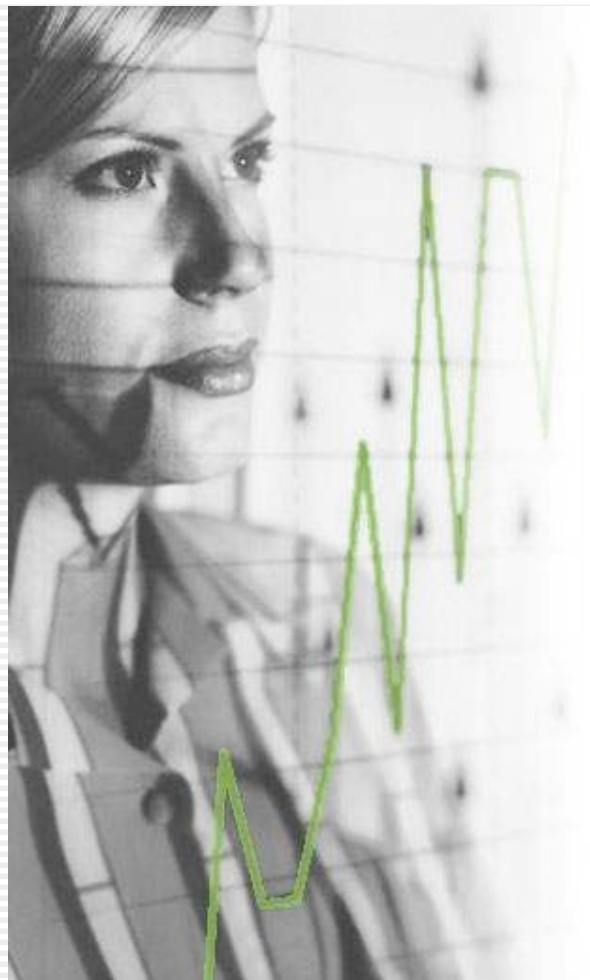
SOA Foundation

Infrastructure

Infrastructure: servers, storage, communication networks & associated services

Customer Care and Insight Framework for Financial Services Sector

* New!



Solving front office, customer oriented business problems in banking, insurance, & financial markets

- **IBM SOA Blueprints for banking and insurance**
- **IBM points of view , industry best practices and open standards**
- **Data, Process, and physical models and mappings**
- **Customizations for Cognos, Business Data Warehouse, and Master Data Management**
- **Seven leading standards-compliant ISV specialists**

Customer Care & Insight (CC&I) Solution Detail

Solution Offerings

Customer Care & Insight Solution

- Customer Information Optimization
- Insight Optimization
- Customer Marketing Optimization
- Customer Sales Optimization
- Customer Service Optimization
- Customer Compliance & Fraud Optimization

IBM Assets

- Know Your Customer - *Concept Stage*
- Up Sell/Cross Sell - *Pre-Concept Stage*
- Preferences - *Pre-Concept Stage*
- Event Based Decisioning - *Pre-Concept Stage*
- Disputes - *Pre-Concept Stage*
- Householding - *Pre-Concept Stage*
- Dynamic Product Bundling - *Pre-Concept Stage*
- Marketing Communications - *Pre-Concept Stage*
- Case Management - *Pre-Concept Stage*
- Campaign Management - *Pre-Concept Stage*

Industry Framework

Banking Customer Care & Insight Framework

Industry Extensions

- Mapping and integration of InfoSphere MDM Server to IFW models
- Cognos risk adjusted profitability blueprint
- Extension of logical BDW models, physical models and mapping customer domain and data integration to BDW

New!

Key Components from SOA Foundation

Information Mgmt.

- InfoSphere Warehouse
- InfoSphere MDM Server
- Enterprise Content Mgmt.
- Information Server
- IBM Cognos

WebSphere

- Business Services Fabric
- Process Server
- Business Monitor
- Application Server
- Enterprise Service Bus

Rational

- Data Modeler
- Software Architect

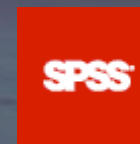
Tivoli

- Access Manager
- Identity Manager

Lotus

- Forms

Target ISV Ecosystem



Infrastructure

Infrastructure: servers, storage, communication networks & associated services

Framework Coverage Across Industries

Today

- Telecommunications
- Energy & Utilities
- Retail
- Banking
- Financial Markets
- Automotive
- Electronics
- Aerospace & Defense
- Chemicals & Petroleum
- Healthcare

In Pipeline:

- Manufacturing Integration
- Media Hub
- Network Centric Operations
- Customs, Ports and Borders
- Insurance Process Automation
- Core Banking Renovation

Real Business Value with Frameworks: Bharti

Scale to meet the needs of 1.5 million new customers per month

- Activate new mobile accounts:
<2 hours vs. days
- Self-service website:
 - ↑ customer satisfaction
 - ↓ call center load
- Improved Business Intelligence
- SOA standardized platform



A Flexible Business Architecture

Today's Business Landscape is Undergoing
Rapid and *Transformative* Change



Are you prepared?

IBM



Sandy CARTER

VP, SOA & WebSphere Strategy, Marketing & Channels

IBM SOA Executive Summit 2008



IBM's Smart SOA Approach
Accelerates Alignment and drives Results

Service Orientation Requires Business and IT Alignment

*Aligned IT and Business result in
DOUBLE the productivity gains of
isolated business and IT efforts*

*Source: London School of Economics – McKinsey survey
and analysis of 100 companies in France, Germany, UK and
US*

Align Business and IT with Service Orientation & SOA

* 6550 Clients

Service Managers: A Service

.....
A **repeatable business task** –
e.g., check customer credit; open new account

Agility
Reuse

Business Managers:

Service Orientation

.....
A way of integrating your
business as linked services
and the outcomes that they bring

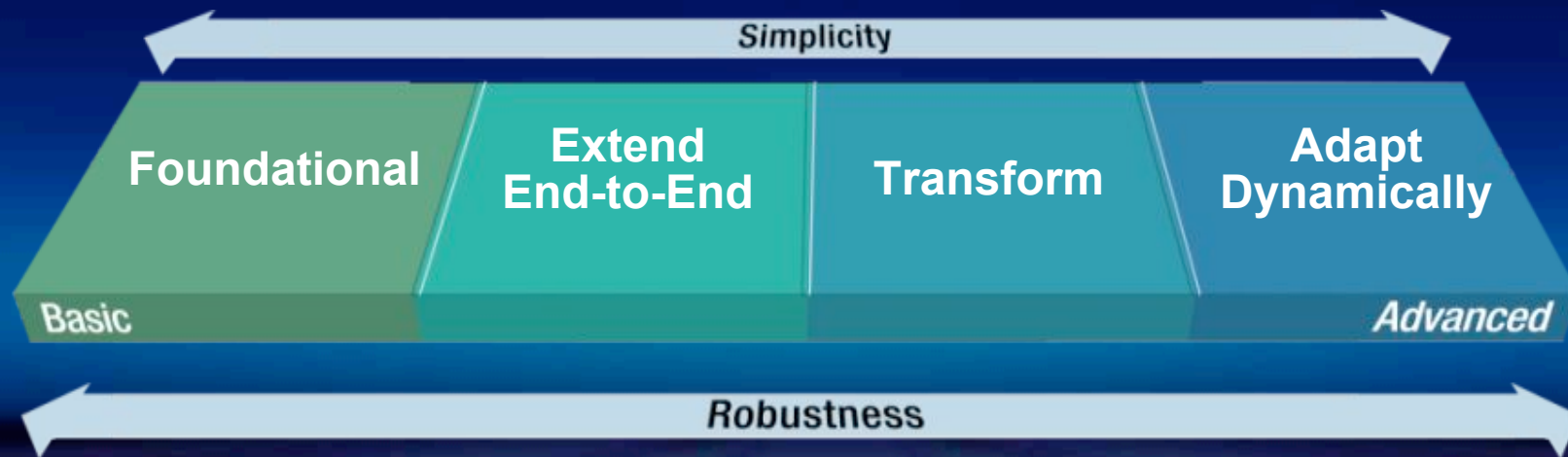
Architect:

Service Oriented Architecture (SOA)

.....
An **IT architectural style**
that supports service orientation

The Smart SOA™ Approach Accelerates Alignment

Business



IT

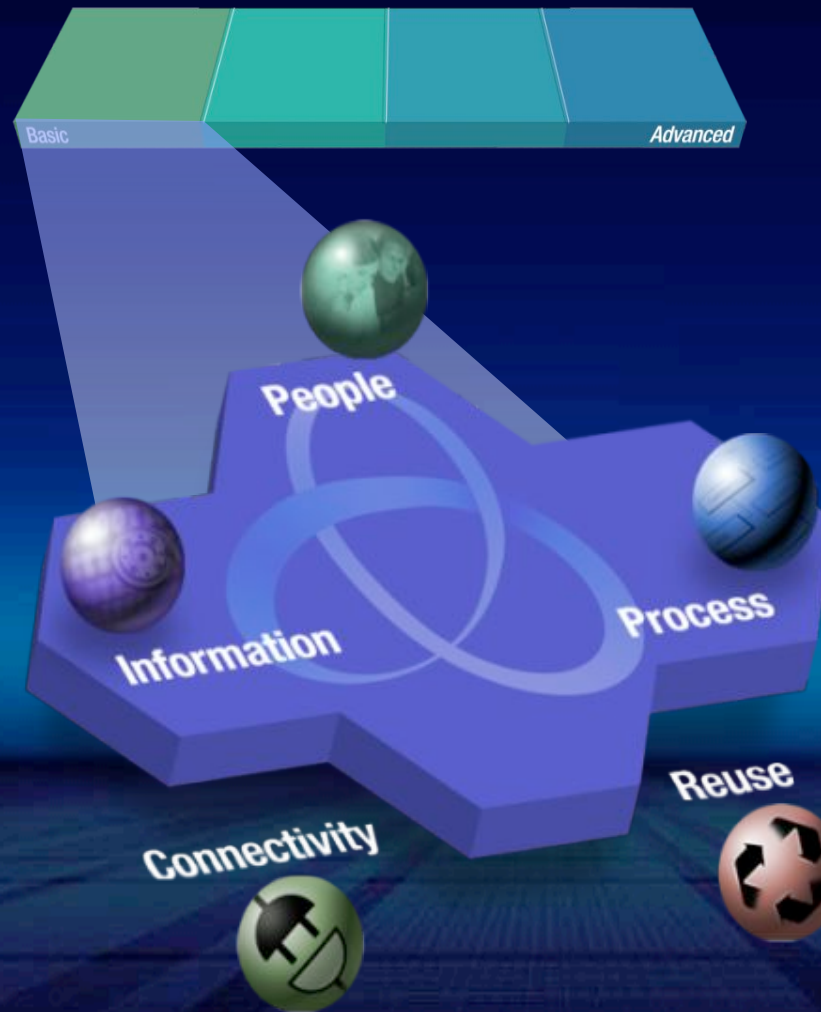
Smart SOA Approach in Action: Standard Life

Expose and deploy business services for reuse

- Incentives for reuse
- £16m savings in three years
- 440 reusable services used in over 200 applications
- Over 1,200 instances of reuse
- 900% increase in transaction rates
- No increase in IT staff



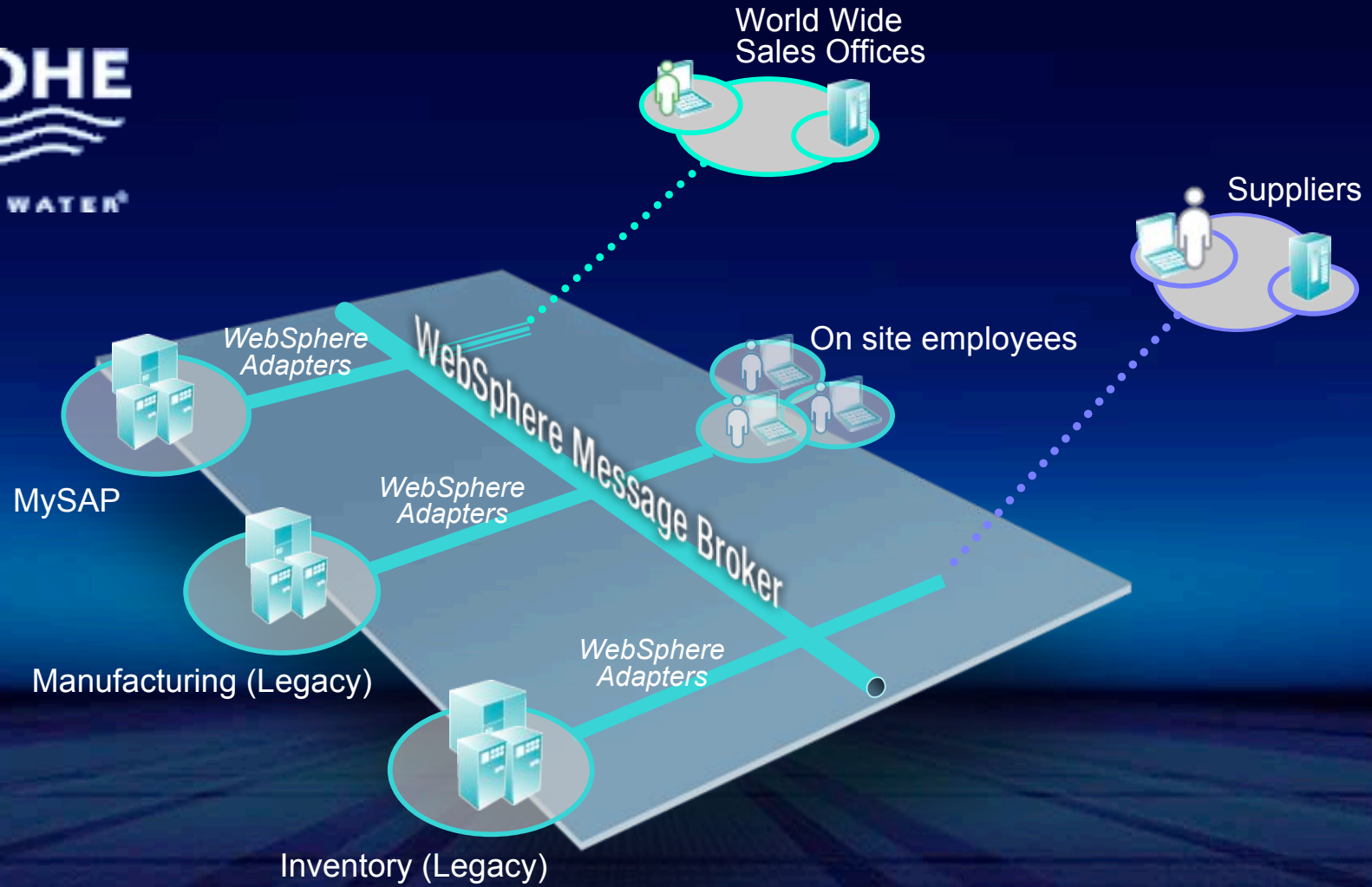
SOA Entry Points Get You to Value Faster



SOA Configurations

Simplicity with every initiative

Entry Points in Action: Grohe



Extend SOA Entry Points with Web 2.0

What is Web 2.0?

- A set of new Web-based technologies, that enable the web to become a platform for dynamic content creation and distribution
- A new generation of web-based communities and hosted services — such as social-networking sites, wikis, and folksonomies — which aim to facilitate creativity, collaboration, and sharing between users.

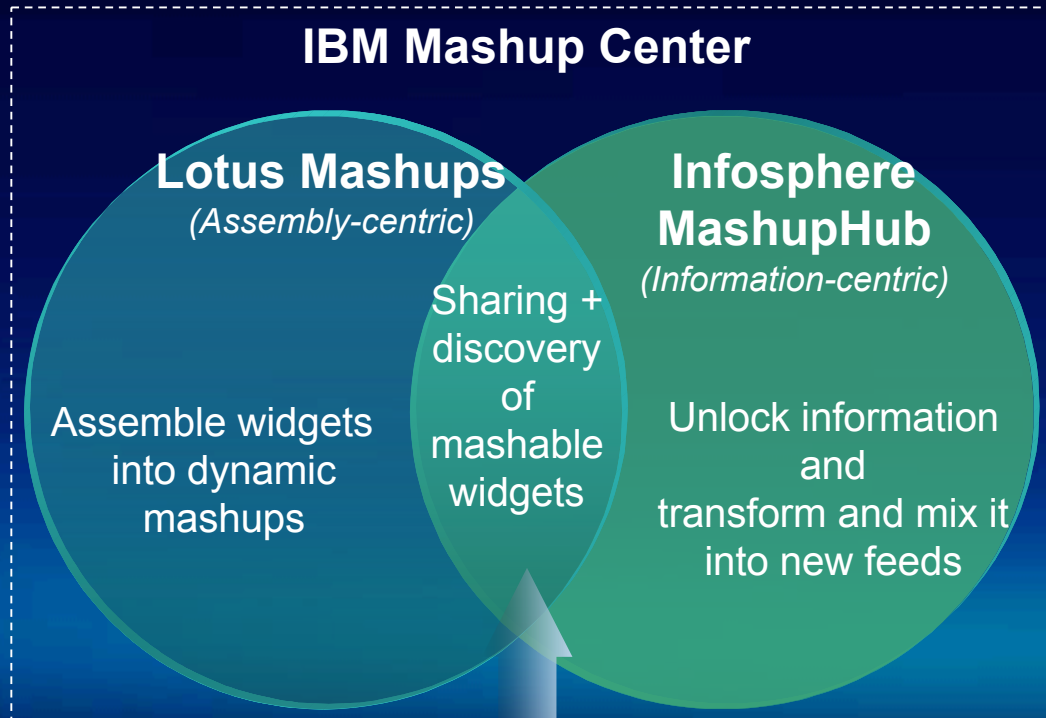


“The point isn't the features, it's the underlying philosophy of relinquishing control.”

Enabling
Technologies

Social
Media

Quickly Create Situational Applications With Web 2.0 and SOA



*** New!**

IBM Mashup Center

- Users Quickly Create Their Own Applications Using SOA

WebSphere sMash

- Agile development environment
- Dynamic Scripting
- Widget creation for IBM Mashup Center

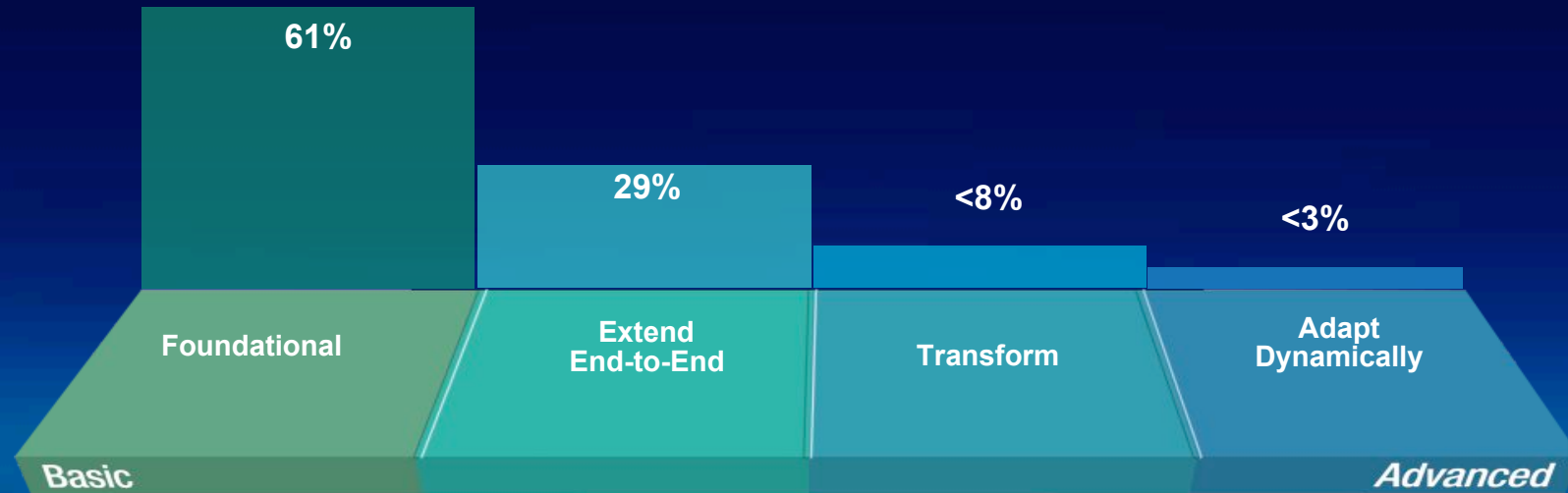
Real Business Value: Harley Davidson

A screenshot of the Harley-Davidson Ride Planner application. The interface is dark-themed and includes a navigation menu on the left, a list of hotel recommendations, and a map on the right. The map shows a route through the Southwest United States, with a red line indicating the path. A pop-up window titled "Wild Wild West" is visible over the map. The hotel list includes:

- Best Western Kings Inn & Suites: 2930 E Route 66, Kingman, AZ, 86401-4205
- Best Western A Wayfarer's Inn and Suites: 2615 E Andy Devine Avenue, Kingman, AZ, 86401-4202
- Best Western Bullhead City Inn: 1126 Highway 95, Bullhead City, AZ, 86429-5400
- Best Western The North Shore Inn at Lake Mead: 520 N Moapa Valley Boulevard, Overton, NV, 89040
- Best Western Mesquite Inn: 390 N Sandhill Boulevard, Mesquite, NV, 89027-4728

Adoption of SOA is Evolving Across the Continuum

% of SOA Customers by Approach



Large Enterprises

Medium Businesses

Small

Employee Size

Greater than 4,999

Between 1,000 and 4,999

Less than 999

What Are The Costs of Inflexible Processes?

In 2007, a Major U.S. Discount Airline facing inclement weather, but not severe storm ...

- Stranded customers on planes for 10+ hours ... without food, water, and heat
- Cancelled >25% of flights days after initial incident
- 30M USD in customer refunds
- 14% drop in stock price; 400M USD in shareholder value destroyed
- CEO relieved of duty



"We had a weakness in our system. We were overwhelmed."

David Neeleman, Former CEO JetBlue Airways

Manage End-to-End Processes with BPM Enabled by SOA

**Business Process
Modeling &
Design**

**Human
Interaction &
Collaboration**



**Business
Activity
Monitoring &
Analysis**

**Process
Execution**

BPM Enabled by SOA in Action

Automated, optimized, and innovated oil exploration and recovery process

- 5% increased oil production
- 30% maintenance cost reduction
- Interdisciplinary collaboration



StatoilHydro

IBM BPM Suite Starter Sets Accelerate Time-to-Value



IBM BPM Suite

Foundational Starter Sets

Dynamic Business Processes

Content-Aware Processes

Extended Value Offerings

Business Event Processing
Asset repository for BPM
Collaboration Tools
Advanced Analytics
Process Accelerators

BPM Methodology • BPM Professional Services • BPM Mentoring

Mozilla Firefox

File Edit View History Bookmarks Tools Help

http://www.globaltelco.com/dashboard

Welcome Tom | Manage My Account | Log Out

Global Telco Inc. Manage Spaces Edit Spaces

Home | My Tasks | My Team's Tasks | Monitor | Process Review and Publish | Business Rules and Policies Add New Page Page Explorer

Sametime

Available

- Babita (B.) Sharma
- Chris Goldthorpe
- Christian Damus
- Evan Yue
- Jian W Zhou
- Mindaugas Izdeles
- Neil MacKinnon
- Peter Walker
- Rajeev Sikka
- Steve Gutz
- Susan Jasinski
- Teo Weng
- Tobias Widmer
- Ying Chen

Business Unit Sales vs. Target

Millions USD\$

Quarter	Target	Variance
Q2 2007	100	+17
Q3 2007	100	+9
Q4 2007	100	+3
Q1 2008	100	+1

Business Unit Pipeline vs. Target

88

138

Q2 2008

My Team Tasks

- Steve Renkshaw
- Carrie Blithe
- Pam Simms

News Alerts

- Apple releases smaller iPhone
- Nokia announces merger bid
- Sony Ericsson releases iPhone competitor
- AT&T Spring promotions announced

IBM

Copyright 2008, IBM Corporation | Terms | Contact | About

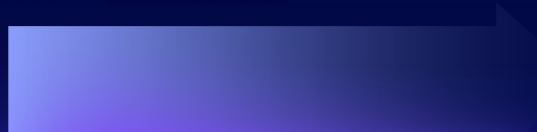


IBM

Copyright 2008, IBM Corporation | Terms | Contact | About

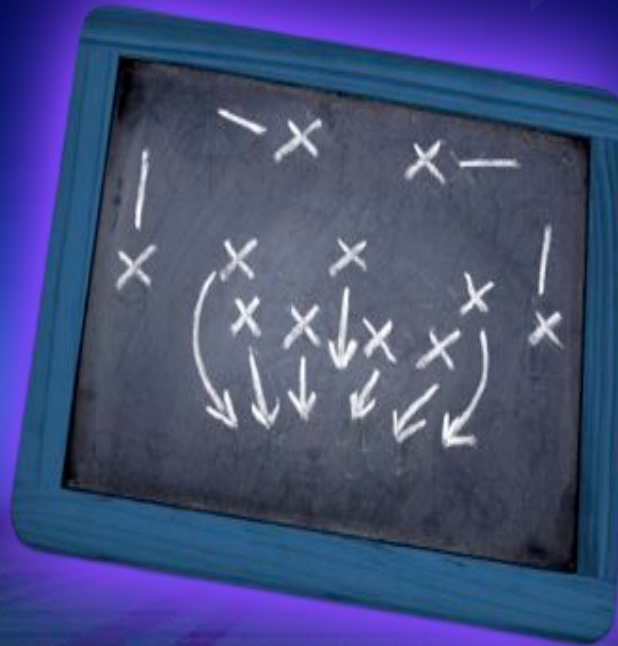
Advanced BPM Capabilities for Innovation

When do you act?



What do you do?

**Business Events
Processing**



Business Policy

**WebSphere Business
Services Fabric**



WebSphere Business Events

Use BPM Enabled by SOA for Environmental Initiatives



Process Integrity for the Stresses of Volume and Time



**WebSphere Virtual Enterprise
WebSphere eXtreme Scale
SOA Integration Services
for Process Integrity**

Transactionality

Compensation

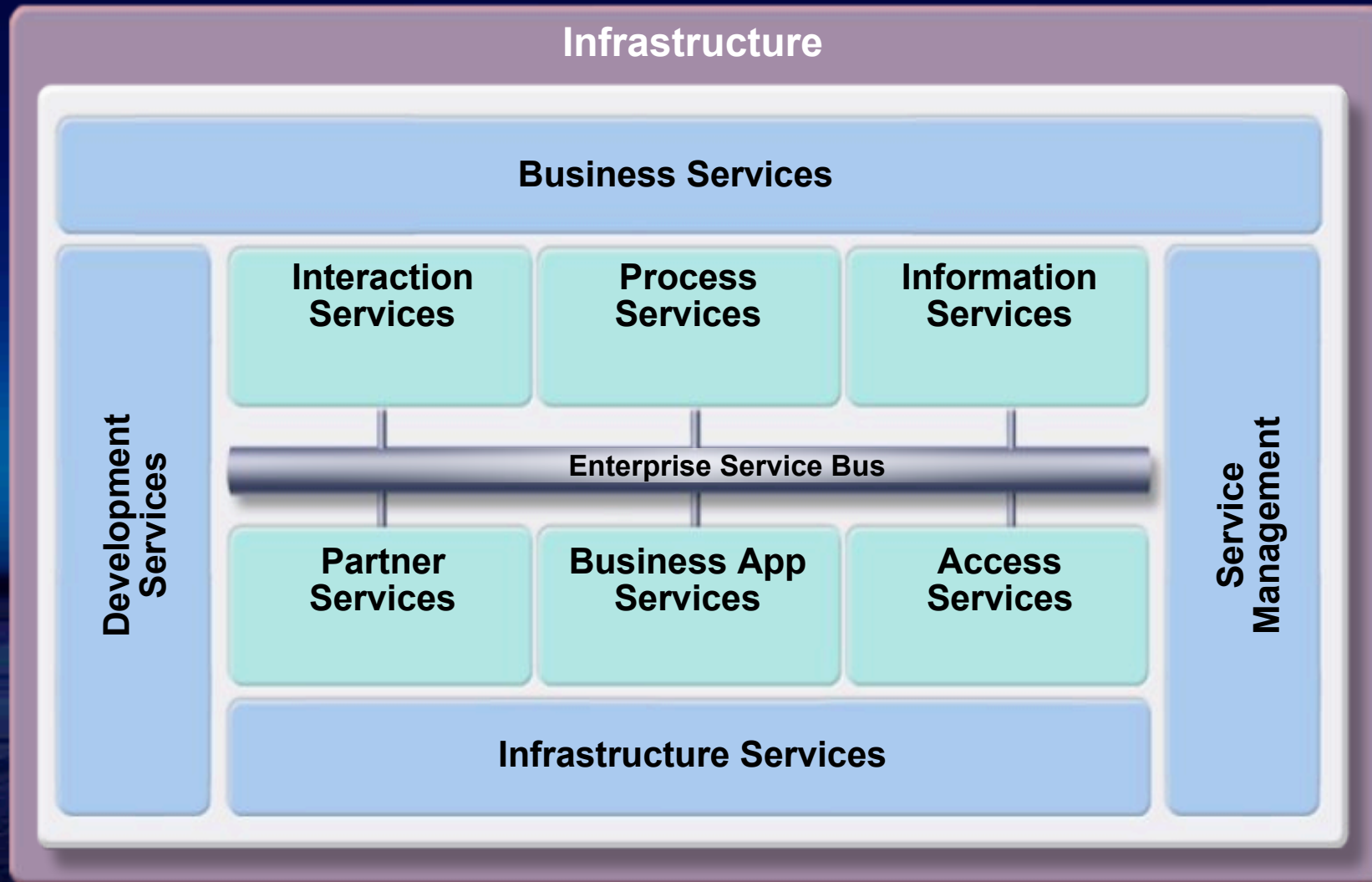
Scalability

Rollback

Remediation

Security

Design With The SOA Reference Architecture



Establish and Maintain your SOA Health



- ▶ Workshops
- ▶ Assessments
- ▶ Specialized Diagnostics

*** New!** Infrastructure Architecture Healthcheck for SOA



Flexible Infrastructure

Middleware

Service Management



Service Use and Governance

Security

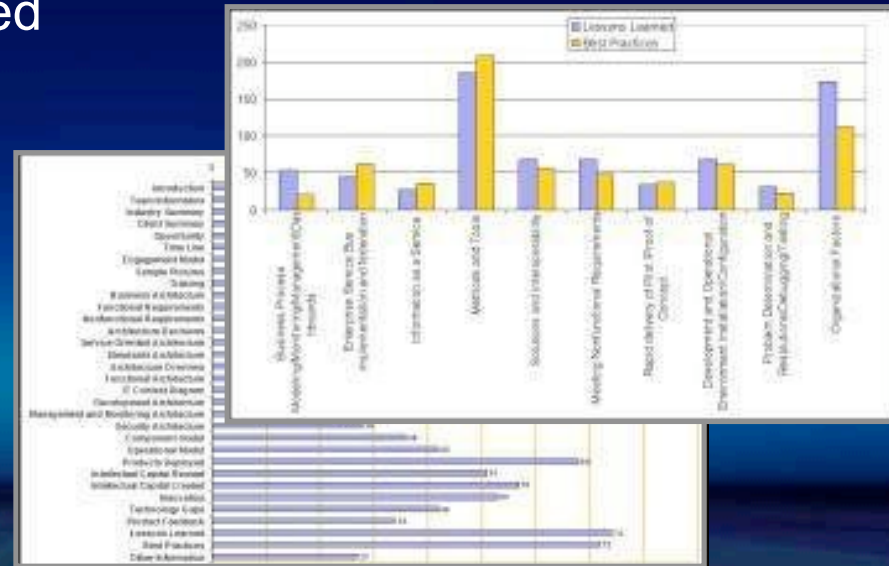
Application Reuse

Trust IBM to Help

Lessons Learned Help IBM Understand Clients' SOA Health

Cross-IBM global deep dive analysis of 200 SOA deployment experiences:

- 750 Lessons Learned
- 650 Best Practices



White Paper Now Available

Service-oriented architecture: Follow a clearly-marked path for success
Best practices and lessons learned—findings from “best of the best” SOA Foundation deployments

Meet Security Requirements of SOA Environments



Identity propagation
even across federated
ESBs



Protection against
increased exposure



* Enhanced!

Compliance for audits
with security policy,
dashboards, &
reporting

**Tivoli Federated
Identity Manager**

**Identity & Access
Management Services**

Rational AppScan

* Beta!

**Tivoli Security
Policy Manager**

**Tivoli Security
Information and
Event Manager**

Build Skills: Join the Smart SOA Social Network



NEW

Enhanced

- Industry
- Business Analyst

- Architect Space
- SOA Developer Space

Role Based

Skills Focused

- Innov8
- Certifications
- Online classes

- Exchange Based on Lotus Connections

Globally Connected



University

SOA BP
Community

Architect

SOA
Space

Project
Zero

China Pilot

Interdisciplinary Skills for the T-Shaped Person

Announcements



- WebSphere sMash
- IBM Mashup Center
- IBM WebSphere Business Events
- Smart SOA Social Network
- Smart SOA Best Practices
- SOA Industry Frameworks

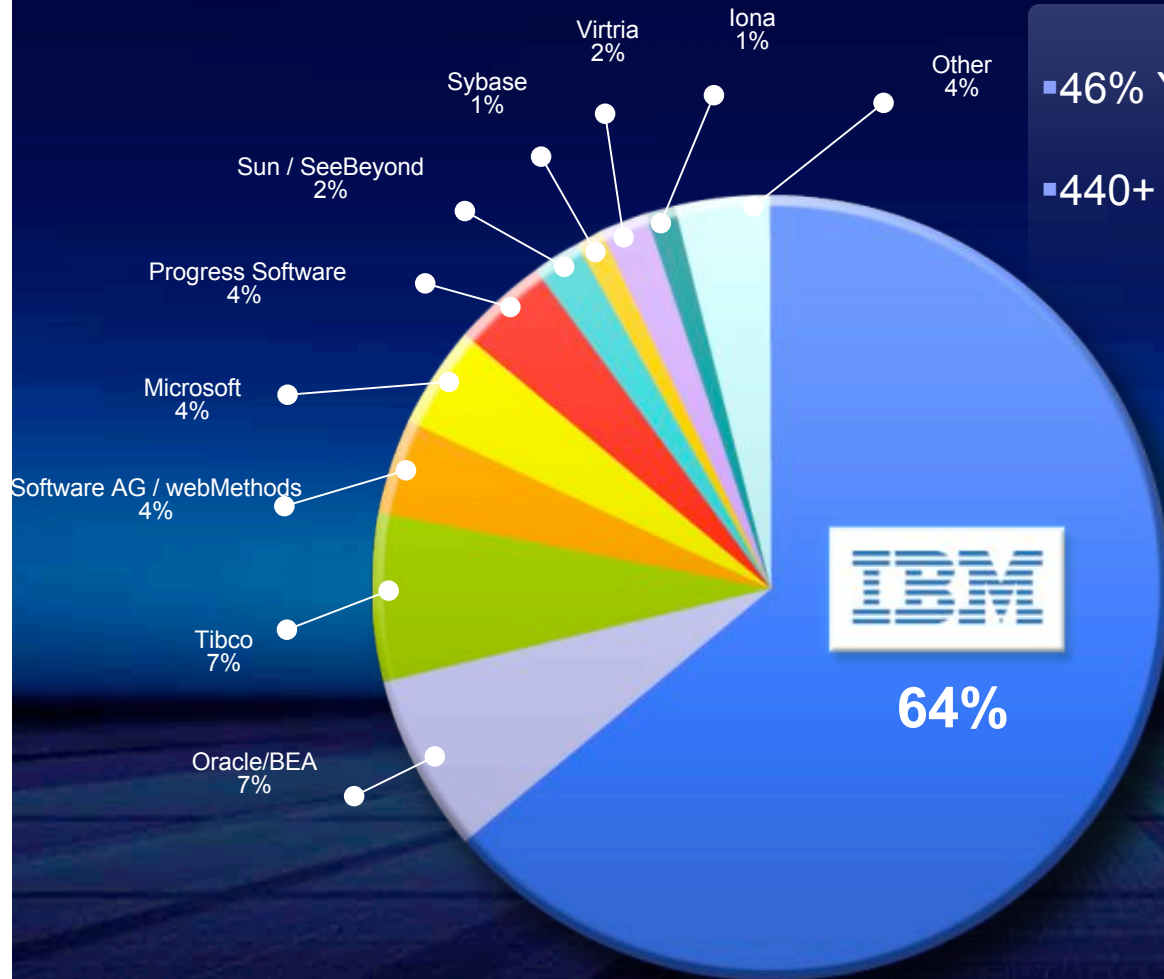


- IBM BPM Suite
- WebSphere Business Service Fabric
- WebSphere Virtual Enterprise
- SOA Healthcheck
- Tivoli Security Policy Manager
- Key Agility Indicators (KAI)

Business Value Assessment (ROI)

Partner with a Market Leader

SOA Leadership according to WinterGreen Research



- 46% YTY customer growth
- 440+ public customer references

6550 Clients

66% Share in Europe!

2007 Total: \$2.0B

Source: WinterGreen Research, Inc.

SOA Helps in ANY Economic Climate

"... SOA enables businesses to brace themselves for any economic cycle, positioning them for success, not just survival."

Businesses Need:

SOA Enables:

Business Agility → Flexible Processes

Reduced Expense → Everything-to-everything
Connectivity

Visibility → Insight into Process,
Application, and Customers

Greater Reuse → Reusable Services

Business Empowerment → Greater Differentiation

Source: ZapThink, SOA in any economic climate, 2008

IBM